

**CHAPTER 3: DEMOGRAPHICS AND HOUSING**

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**Introduction**

Conventional approaches to community planning examine population change over time, analyzing past and current population growth patterns to better predict future trends. Analysis of population incorporates not only the increase or decrease in the number of people, but also the gender, age, ethnic, and socioeconomic characteristics of the population. Understanding these population attributes allows communities to anticipate and plan for the future needs of the community its residents.

One of the basic needs for a growing population is housing. Housing is a fundamental element in the way communities grow and develop. The location and density of new housing are major drivers of transportation patterns, access to public services, and energy consumption. Housing is a prominent feature of the built environment, an investment and consumptive good, a symbol of personal history and familial connections, and a determinant of social interaction and achievement. A home is the largest purchase an individual American homeowner is likely to make in a lifetime.

**Goal**

G.15 Promote a diverse demographic of residents.

**Policies**

- P.15.1 Encourage housing, employment, education and recreation to attract, support and maintain young families.
- P.15.2 Provide services and facilities to support elderly and special-needs residents.
- P.15.3 Promote and respect the culture, heritage and history of Flathead County residents.

**Goal**

G.16 Safe housing that is available, accessible, and affordable for all sectors of the population.

**Policies**

- P.16.1 Provide land use-based incentives and density bonuses for the promotion and development of affordable housing opportunities for a range of household types, family sizes, incomes, and special consideration groups.

- P.16.2 Create an affordable housing plan for the county which includes evaluating the need for a county housing committee and establishing coordination between the county and the cities of Columbia Falls, Kalispell, and Whitefish.
- P.16.3 Promote the development of affordable single and multi-family housing in areas of adequate service networks.
- P.16.4 Consider the locational needs of various types of housing with regard to proximity of employment, ~~and~~ access to transportation and availability of public services.
- P.16.5 Promote the rehabilitation of historic and/or architecturally significant structures for the purpose of conversion to housing.
- P.16.6 Consider the advisability of adopting a building inspection procedure for new residential construction.
- P.16.7 Identify areas suitable for quality mobile home park development.

#### **Goal**

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- G.17 Encourage affordable homeownership in Flathead County.

#### **Policies**

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- P.17.1 Include provisions in the county zoning and subdivision regulations to promote affordable homeownership throughout the county.
- P.17.2 Incorporate density bonuses in zoning and subdivision regulations for developments offering affordable homeownership.
- P.17.3 Encourage mobile home parks as a form of affordable homeownership in areas with access to public sewer and water.
- P.17.4 Develop zoning and design standards for Class A manufactured housing.
- P.17.5 Encourage the establishment of public/private partnerships as a method to offer financing to first time homebuyers.
- P.17.6 Establish affordable housing standards for developing infrastructure; that would reduce the cost of affordable lots; while maintaining the character of the projects.

- P.17.7 Develop criteria for developers to meet to qualify for affordable housing incentives.

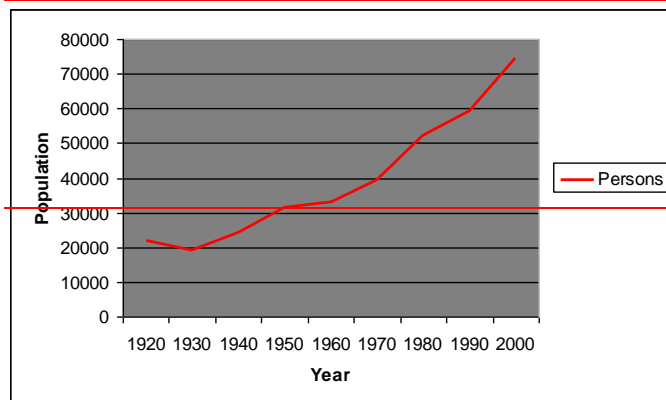
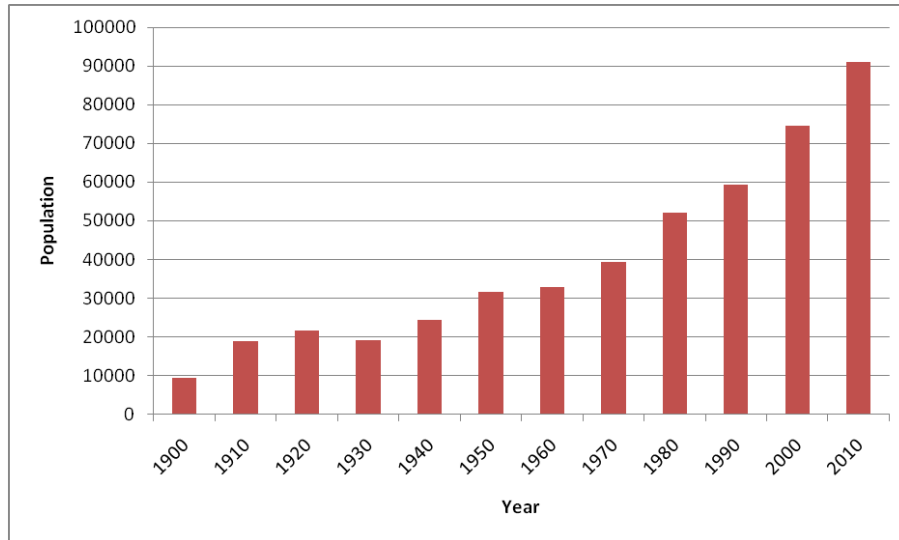
## **PART 1: Population (see Goal 15)**

### **Population Growth**

Population growth in Flathead County over the past 100 years has been significant and dynamic, as shown in Figure 3.1 below. With the exception of the period between 1920 ~~to and~~ 1930, ~~area~~ growth has generally exceeded 10% ~~for over the course of~~ each decade. Only the ~~period—decade f—between~~ 1950 ~~to and~~ 1960 experienced a single digit population growth of 5%. In total, ~~the~~ population growth ~~for over~~ the last 100 years ~~was~~ has been approximately 65,09681.553 people, which translates into a ~~seven—nine—fold~~ population increase in the County. For a detailed account of the historical growth and development of Flathead County, please refer to Appendix A: Baseline Analysis.

The population boom of recent time began in the 1970s when population growth accelerated dramatically. The largest growth rate for any 10 year period since 1900 was the ten year period between 1970 and 1980 which experienced a 32% increase in population from 39,460 to 51,966 residents. This growth lessened during the 1980's to 14% as the population increased by 7,252 people. From 1990 to 2000 the growth in population resumed its post 1970 charge with a 26% increase, resulting in a 2000 population of 74,471 people<sup>24</sup>.

**Figure 3.1**  
**Flathead County Population – 1920 through ~~2000~~2010**



Source: U.S. Census [Data, 1900 thru 2010](#)

Since 2000 Flathead County's population has increased at a relatively constant rate of approximately 2% per year. Between 2000 and 2005 the US Census estimated a population increase from 74,471 to 83,172 people, representing roughly an approximate 12% increase over the first five years of the decade. ~~This growth rate is consistent with the growth experienced between 1990 and 2000.~~ By the year 2010 Flathead County's population had increased over 22% during the course of the decade, for a total of 90,928 residents by the time the decennial census was conducted in 2010.<sup>1</sup> ~~This growth rate is consistent with the growth experienced between 1990 and 2000.~~

<sup>1</sup> United States Census Bureau State & County QuickFacts; Flathead County, Montana, 2010

### Rural Population Growth

Approximately ~~69%~~ 66% of the population in Flathead County resides outside of the cities of Columbia Falls, Kalispell, and Whitefish. This is ~~an a slight decrease~~ increase from ~~1990-2000~~ when ~~68~~69% of the population in the county lived outside of the cities. Recent data shows that the growth in the cities between 2000 and ~~2004-2010~~ has notably increased. The combined populations of the cities of Columbia Falls, Kalispell, and Whitefish equate to approximately ~~35~~ 34% of the total ~~2004-2010~~ population of the county; an increase of ~~4%~~ 2% since 2000. The city of Kalispell comprised approximately ~~24~~29% of the total population of the county in ~~2010-2004~~. Whitefish, Kalispell, and Columbia Falls each grew in population at a higher rate ~~at least double than~~ the growth rate of the county at ~~20~~26%, ~~16~~40%, and ~~14~~29%<sup>2</sup>, respectively. Table 3.1 contrasts the population change of the three cities and the unincorporated areas of the county.

**Table 3.1**  
**Population Growth in Unincorporated Areas vs. Cities – 2000 through ~~2004~~ 2010**

	2000	<del>2001</del>	<del>2002</del>	<del>2003</del>	<del>2004</del> <u>2010</u>	Percent Change 2000- <del>2004</del> <u>2010</u>
Unincorporated Flathead County	50,672	<del>51,608</del>	<del>52,155</del>	<del>52,939</del>	<del>53,505</del> <u>59,956</u>	<del>6%</del> <u>22%</u>
Columbia Falls	3,674	<del>3,760</del>	<del>3,836</del>	<del>3,958</del>	<del>4,180</del> <u>4,688</u>	<del>14%</del> <u>29%</u>
Kalispell	14,999	<del>15,450</del>	<del>15,942</del>	<del>16,765</del>	<del>17,381</del> <u>19,927</u>	<del>16%</del> <u>40 %</u>
Whitefish	5,126	<del>5,295</del>	<del>5,542</del>	<del>5,814</del>	<del>6,151</del> <u>6,357</u>	<del>20%</del> <u>26%</u>

Source: U.S. Census

Nearly ~~16~~19%<sup>2</sup> of the county's population living outside of the cities of Columbia Falls, Kalispell, and Whitefish are located in Census designated places, as shown in Figure 3.2 and Map 3.1. Census Designated Places (CDPs) are delineated to provide data for settled concentrations of population that are identifiable by name but are not incorporated.

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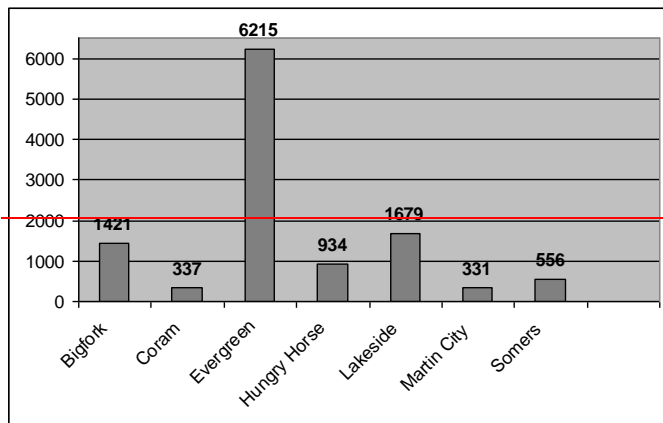
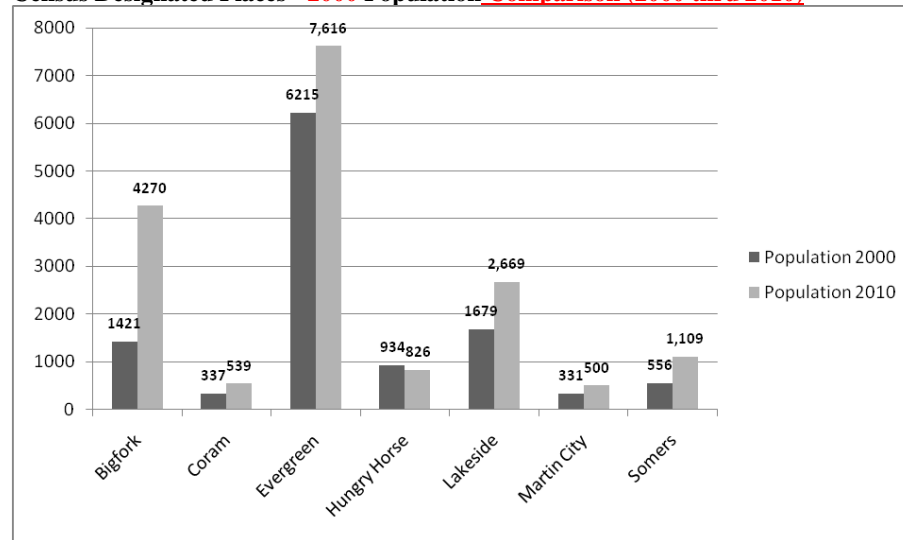
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Comment [a1]: Update Map 3.1

<sup>2</sup> ~~2000 US Summary File 1, US Census 2000~~ Census 2010 - State and County Population Summary; Census 2010 - Census Place Population Summary (City, Town, CDP)

Figure 3.2

Census Designated Places - ~~2000~~ Population Comparison (2000 thru 2010)

Source: U.S. Census

There are currently seven CDPs in the county. These include the communities of Bigfork, Evergreen, Lakeside, Somers, Hungry Horse, Martin City, and Coram. Bigfork, Somers, Evergreen and Lakeside have had the greatest increases in population over the past ten years. The community of Bigfork nearly doubled-tripled in population with an 83200% increase between 1990 and 2000 and 2010. The population of Somers has increased by 7599% and, the population of Lakeside has increased by 77-59% and the population of

~~Evergreen increased 23% during the same ten year period. Evergreen has increased in population by 51%<sup>+</sup> over that same period.~~ The most significant increases in population in rural communities are occurring where vital public services such as public sewer and water facilities are available.

Several other communities throughout the county not designated CDPs are also experiencing growth. These communities are more scattered, and development is less dense. Residents in these communities are self reliant with individual water and sewer facilities. These communities include Marion, Kila, Ferndale, Creston, and West Glacier. The more remote communities such as Polebridge, Olney, and Essex have not experienced the rapid growth that the more accessible communities in the county are currently undergoing. Map 3.2 shows the existing overall population per square mile in Flathead County.

**Comment [a2]:** Update Map 3.2

### Seasonal Populations

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Census population numbers do not account accurately for seasonal fluctuations in population. Seasonal residents require the same local services and infrastructure that full time residents require.

Although there is no precise way to calculate seasonal population, estimates can be derived using several indicators such as electrical hookups and consumption, increased traffic, waste generation, and law enforcement and emergency service calls. Certain communities have higher numbers of seasonal populations. Although it has proven difficult to quantify, the population of the county could be in significant excess of 83,172 persons as estimated by the US Census.

Demand is strong in the county for second home ownership as well as for seasonal, recreational, occasional use and vacation housing. Those housing units dedicated for seasonal, recreational, or occasional use have been identified and quantified in the 2000 US Census. The 1990 Census indicates that there were 2,517 housing units in Flathead County that were occupied seasonally, for recreational use or for occasional use. In 2000, that number rose to 3,570, a 42% increase. During the same period the total number of housing units in the county increased by 29%<sup>32</sup>.

### Population Growth Factors

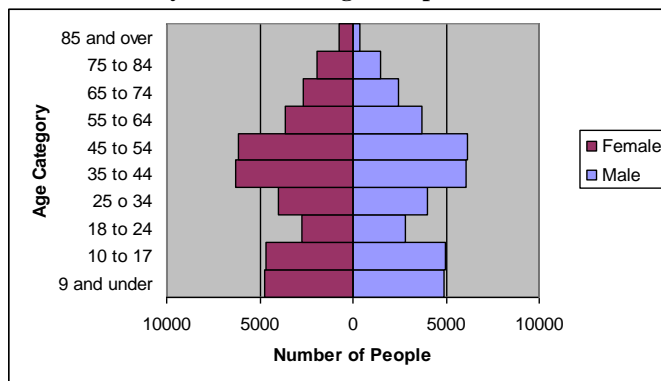
Population growth or decline is attributed to two factors: 1) natural change and 2) net migration. Measurements of these two factors illustrate trends over time and are important when planning for the needs of future populations. The combination of the two factors indicates the overall condition and health of the community. Natural change is the difference between births and deaths. Between 2000 and 2004 Flathead County experienced a net increase of 1,214 people due to natural change, representing approximately 18% of the total population growth. Migration patterns are responsible for the remaining 82% of the population increase; approximately 5,577 people relocated to the county from elsewhere during the four year period.

### Population Characteristics

In 2000 the county's male-female ratio was approximately 1:1, meaning there were nearly equal numbers of males and females in the population as shown in Figure 3.3. Although not charted, U.S. Census Bureau historic data indicate that the near even proportion of genders has remained constant since the 1970's.

The ethnic composition of Flathead County is rather homogenous. In 2000, approximately 96% of the population was White, with the remaining 4% reflecting those of one or more other races. Those of two or more races comprised 1.5% of the population, followed by American Indian and Alaska Native which comprised 1.1% of the population. Hispanic or Latino represented 1.4% of the ethnic composition of the county. Persons of Asian descent amounted to 0.5% of the population, those of some other race made up 0.4%, and African Americans totaled 0.2% of the population<sup>24</sup>.

**Figure 3.3**  
**Flathead County Gender and Age Composition - 2000**



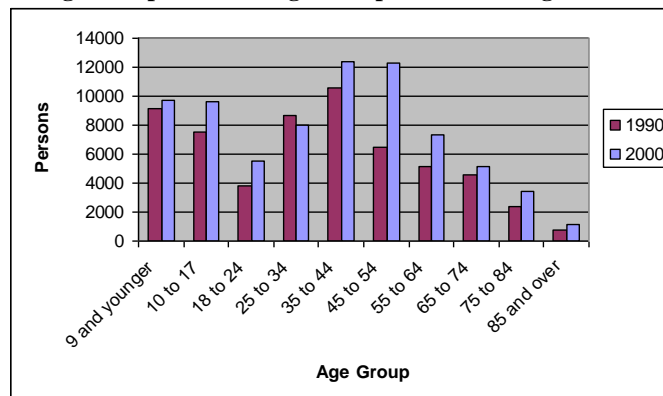
Source: U.S. Census

As shown in Figure 3.4, all age groupings increased in population during the 1990-2000 decade with the exception of those between the ages of 25 to 34, which experienced an approximate 8% decline. The largest population gain and percent increase occurred in the 45 to 55 age-bracket at an increase of 5,760 people representing an 88% increase over the decade. The second largest increase occurred in the 85 and over age bracket at 48%,



followed by both those in the 55 to 64 and in the 18 to 24 age brackets which each increased by 44%. The 18 to 24 age group appears to be recovering slightly from an overall 24% decline between 1980 and 2000; however this group still remains to be the smallest segment of the population under the age of 64. The smallest increase in any age group occurred in the 9 years and younger group which increased at a rate of 5% over the decade<sup>3</sup>.

**Figure 3.4**  
**Change in Population of Age Groups – 1990 through 2000**



Source: U.S. Census

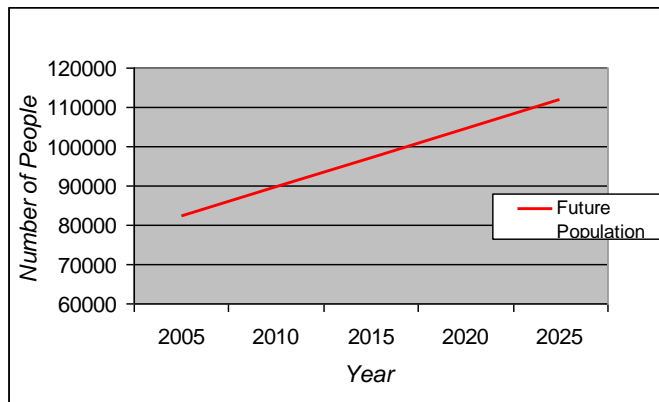
### Population Projections

Projections are estimates illustrating plausible courses of future population change based on assumptions about future natural change and net migration patterns. These projections are trends established from existing population data. The projected population for

<sup>3</sup> US Census 2000; US Census 1990

Flathead County to the year 2025 is shown in Figure 3.5. The projected population for 2025 is 111,740 representing an increase of 37,269 people from the 2000 population. The projection shows that the total population is likely to increase by 50%. Based on existing natural change and net migration, this projected population will be due primarily to net migration and to a lesser extent by natural change.

**Figure 3.5**  
**Flathead County Population Projections– 2005 through 2025**



Source: NPA Data Services, Inc, 2002

More data are required to adequately provide for the land use needs of a growing population. Information on the desires and preferences of residents and in-migrants will determine suitable housing locations, as well as projected requirements for commercial and industrial uses. Accurate information on the service costs per mile of road maintenance, school bus operation, emergency services and other county services will inform the public and decision makers as land use designations are made.

## **PART 2: Housing (see Goals 16 and 17)**

### **General Affordability**

Housing costs often constitute the largest single monthly household expenditure. The affordability of housing is a major factor in community growth and development. Affordable housing is also a driving force of a vibrant economy. Home ownership is a goal for many Americans and it is an achievement that can be a stepping stone to increased economic involvement in the community. This Growth Policy has Goals and supporting Policies which recognize the desirability of affordable housing and home ownership. A standard definition of “affordable housing” is yearly housing payments that cost no more than 30% of a household’s gross annual income. Households paying in excess of 30% of their income for yearly housing costs are considered cost-burdened and may have difficulty meeting the costs associated with common necessities such as food

and transportation<sup>4</sup>. Calculating the annual household income needed to afford the median-value home in a given area provides a snapshot of the current housing affordability.

Using the standard definition of affordability<sup>5</sup>, Table 3.2 illustrates the annual household income needed to afford the median-priced home in Flathead County. The table assumes a 10% down payment, 30-year fixed mortgage, a monthly payment that is 30% of a household's income, 7% interest rate, 1.2% tax rate and a normal insurance charge.

**Table 3.2**  
**Housing Affordability in Flathead County**

Year	Median Home Price in Flathead County	Annual Household Income Needed to Afford Median Home Price
1990	\$64,206 <sup>6</sup>	\$18,401
2000	\$138,950 <sup>7</sup>	\$39,823
2001	\$126,000 <sup>76</sup>	\$36,112
2002	\$136,000 <sup>76</sup>	\$38,978
2003	\$159,000 <sup>76</sup>	\$45,569

Comparing the annual household income needed to afford the median home price in the county to the actual median household incomes for the same time periods provides insight as to whether the median home price is affordable to the median household. Table 3.3 shows that a disparity exists between median incomes and median home prices in Flathead County.

**Table 3.3**  
**Median Income Needed vs. Actual Median Income**

<sup>4</sup> U.S. Department of Housing and Urban Development

<sup>5</sup> U.S. Department of Housing and Urban Development

<sup>6</sup> American Factfinder, US Census 1990

<sup>7</sup> *Economic and Demographic Analysis of Montana, Volume III: Housing Profile*; Montana State University, 2005

Year	Annual Household Income Needed to Afford Median Home Price	Median Flathead County Household Income (U.S. Census)
1990	\$18,400	\$24,145 (1989) <sup>8</sup>
2000	\$39,823	\$34,466
2003	\$45,569	\$34,360

The median home price in Flathead County increased 116.4% between 1990 and 2000, more than doubling the cost of the median house while the median household income increased by 42.7% over the same period of time<sup>9</sup>. More recently, the annual change in median housing price between 1998 and 2003 has varied significantly as shown in Table 3.4.

**Table 3.4**  
**Median Home Prices – 1998 through 2003**

Year	Median Home Value <sup>76</sup>	Annual Change	Percent
1998	\$110,000	---	
1999	\$108,000	-1.8%	
2000	\$138,950	28.7%	
2001	\$126,000	-9.3%	
2002	\$136,000	7.9%	
2003	\$159,000	16.9%	

The average yearly increase in median home prices over the period of 1998 to 2003 equaled 8%, and if annual median housing prices were to increase at 8% each year, the price in 2010 would equal approximately \$272,498, requiring a minimum median household income of \$78,098, a 127% increase from 2003, to afford a median priced home.

<sup>8</sup> American Factfinder, US Census 2000

<sup>9</sup> U.S. Census Bureau, Census 2000

Rental housing is often a more affordable option for those without the ability to own a home. The average gross rent in 2000 equated to \$484<sup>98</sup>, which would require a minimum yearly income of approximately \$19,360 if the gross rent were to equate to exactly 30% of the occupants' monthly income.

While policy 16.2 calls for the creation of a county plan for affordable housing in coordination with the cities, it should be noted that this growth policy recognizes the need to address this as a community wide issue. A solid plan will include data on the availability of affordable housing for various income classifications and demonstrate the severity of the problem. Rapidly increasing home prices, such as Flathead County has experienced over the last decade, combined with a growing number of service workers has the makings of a serious problem that will affect the county's ability to attract industry and maintain a robust work force.

### Housing Stock

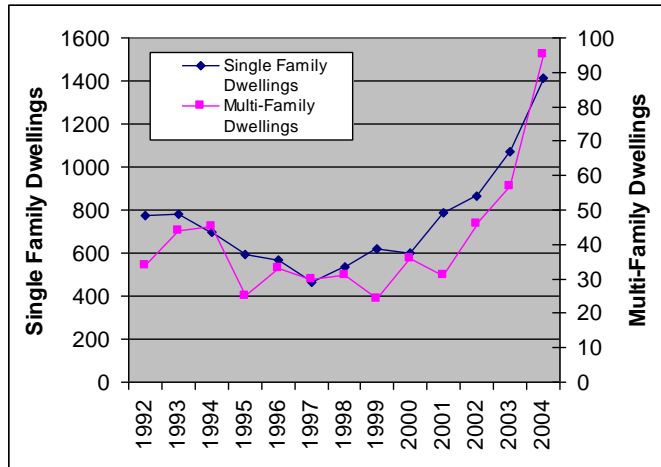
68.5 % of the homes in Flathead County are 1-unit, detached structures. Manufactured or mobile homes are the second most dominant housing type, comprising 16.2% of the housing stock. Multi-family housing, comprised of 2 units or more, accounts for 12.5% of the housing stock. The remaining 0.3% of housing is provided by recreation vehicles, boats, vans and other mobile types<sup>10</sup>

The number of housing units in the county has steadily increased over recent years. The total housing units in 2000 was 34,773 and grew to 36,077 in 2004, a 4% increase<sup>11</sup>. Units are the individual living quarters, and include single family homes, individual condominium units, and individual apartments meaning that a multi family dwelling is comprised of several housing units. As shown in Figure 3.6 the total yearly construction of single family dwellings has dramatically accelerated since 1992.

**Figure 3.6**  
**Construction of Single Family & Multi Family Dwellings per Year – 1992 through 2004**

<sup>10</sup> US Census Bureau. *Profile of General Demographic Characteristics: 2000*. Census 2000.

<sup>11</sup> Population Division, US Census Bureau. *Table 4: Annual Estimates of Housing Units for Counties in Montana: April 1, 2000 to July 1, 2004 (HU-EST2004-04-30)*. July 21, 2005.



Source: Economic and Demographic Analysis of Montana: Volume III Housing Profile, Montana Department of Commerce 2005

Housing is either rented or owned. Housing types as defined by the Montana Department of Commerce are either residential or commercial. Residential housing is homes that can be purchased as individual units and include mobile homes, condominium units, and single family homes. Commercial housing mainly refers to multi unit rental properties including apartments, duplexes, and mixed use structures<sup>12</sup>.

The 2000 overall vacancy rate for the available rental and owner occupied housing units was nearly 15% or 5,186 units. Approximately 69%, or 3,570 units, of those units were designated as seasonal, recreational, or for occasional use. Therefore, the actual vacancy rate in 2000 for non seasonal housing was 7% for rental units and 1.7% for owner-occupied

In 2000 of the 29,588 occupied housing units 26.7%, or 7,190 units, were renter occupied while the remaining 73.3% were owner occupied meaning that the rate of homeownership is 73.3%. At 73.6%, Whites had the highest homeownership rate in the county, while African Americans had a homeownership rate of 65.2% and American Indians/Native Alaskans experienced a homeownership rate of 59.2%<sup>13</sup>. Housing in Flathead County is depicted in Map 3.3.

As compiled in 2000 approximately 28% of the housing in the county was constructed earlier than 1960 as seen in Figure 3.7. Between 1960 and 1969, approximately 8% of the homes in the county were constructed, resulting in the least productive era of home construction. It is significant to note that although the majority of housing was built earlier than 1959, this era covers multiple decades. Nearly 25% of homes were built

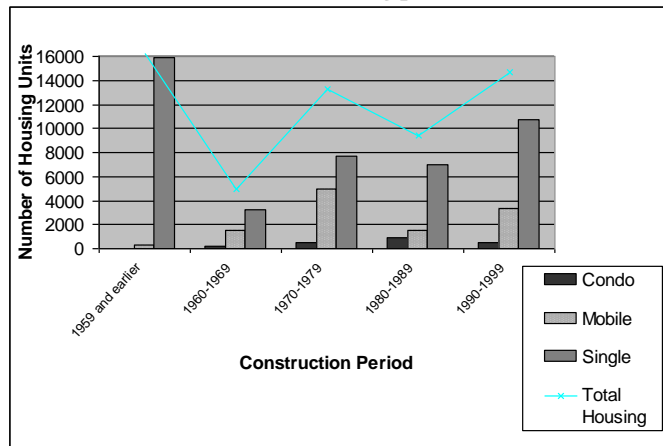
<sup>12</sup> Center for Applied Economic Research. *Housing Conditions Study*. 2002. Montana Department of Commerce: Billings, MT.

<sup>13</sup> [http://housing.mt.gov/Includes/CP/PDF/CP\\_E&D-VOL-III.pdf](http://housing.mt.gov/Includes/CP/PDF/CP_E&D-VOL-III.pdf)

between 1990 and 1999, the most recent completed decade. The periods of 1970 to 1979 and 1980 to 1989 witnessed significant home construction, comprising 23% and 16% of the total housing stock.

The largest era of single family home construction occurred prior to 1960. Manufactured or mobile homes peaked in construction during the period of 1970 to 1979, while the majority of condominiums in the county were constructed between 1980 and 1989<sup>124</sup>. Manufactured and mobile homes are often first home purchases. They are an integral part of a viable affordable housing program.

**Figure 3.7**  
**Construction of Residential Housing per Period – 1999 and older**



Source: Housing Condition Study – Appendix I, Montana Department of Commerce 2005

The Montana Department of Commerce 2005 Housing Condition Study rates the physical condition of residential housing – condominium units, mobile homes, and single-family homes – as excellent, very good, good, average, fair, poor, very poor or unsound. Housing rated good, very good, or excellent in Flathead County comprises 37% of the existing stock. 42% of condominium units were given the top rating of excellent. 87% of the residential housing units in Flathead County were rated as average or above. Below average rating of either fair, poor, very poor, or unsound were given to 4% of single family homes and 49% of mobile homes in the County<sup>124</sup>.

Commercial housing, which offers units for rent and often refers to multi family structures, is rated for condition as good, normal, fair, poor, or very poor. Nearly 93% of the housing classified as commercial in Flathead County rates as either normal or good<sup>124</sup>.

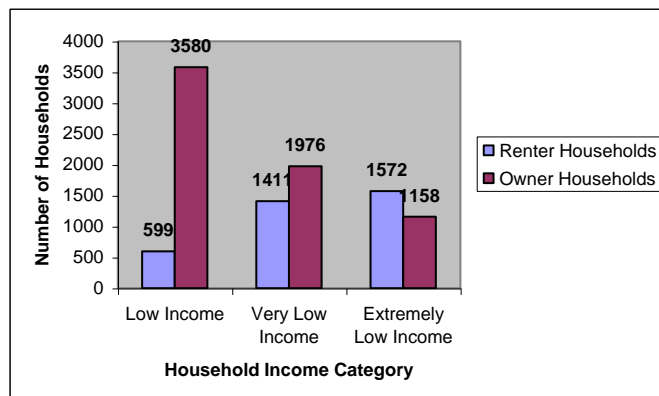
### Special Consideration Groups

The US Department of Housing and Urban Development sets standards based on median family income (MFI) for assessing low income housing needs. Three classifications are used when discussing low income households: extremely low income, very low income, and low income. These categories are defined as follows:

- Extremely low income - those households with an income of 0% to 30% of the MFI
- Very low income – those household with an income of 31% to 50% of the MFI
- Low income – those households with an income of 51% to 80% of the MFI

Figure 3.8 shows the number of renter and owner households in the county by income category for low, very low, and extremely low income households.

**Figure 3.8**  
**Low Income Households in 2000 – Renter vs. Owner**



Source: Montana Housing Needs Assessment, Montana Department of Commerce 2004

HUD also defines types of low income households as small related, large related, elderly, and other households, in addition to special needs households which have members with mobility impairment, disabilities, or drug or alcohol addiction. Elderly and special needs households comprise a large portion of the low income housing population. Over half of elderly and special needs households are considered low income, and these groups are expected to increase as the population ages<sup>76</sup>.

Homeless persons are defined as individuals who lack a fixed, regular, and adequate nighttime residence and have a primary nighttime residence that is a supervised shelter for temporary living accommodation, an institution providing a temporary accommodation, or a public or private place not designed for sleeping<sup>14</sup>. Two homeless shelters are located in Flathead County, both within the city of Kalispell. The Samaritan House provides shelter for the homeless with 20 beds for men, eight beds for women, and

<sup>14</sup> [http://www4.law.cornell.edu/uscode/html/uscode42/usc\\_sec\\_42\\_00011302----000-.html](http://www4.law.cornell.edu/uscode/html/uscode42/usc_sec_42_00011302----000-.html)



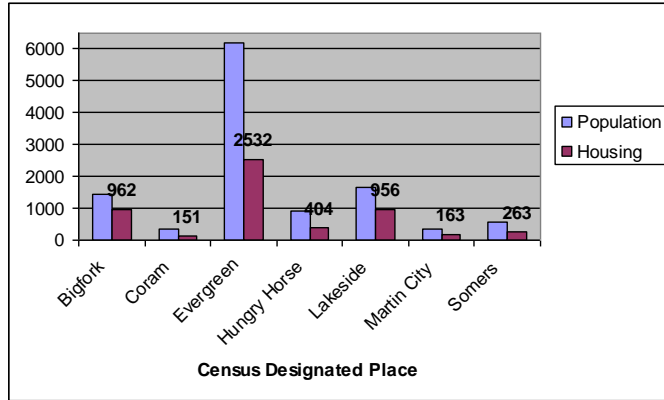
four family units. In 2005 the shelter provided temporary living accommodations for 1,061 people. The Ray of Hope is a homeless shelter providing 20 beds and temporary accommodations for 175 people in 2005. The two homeless shelters serving the county provided temporary nighttime accommodations to 1,236 people in 2005.

### Location of Housing

Costs associated with the housing location can be significant. The cost of transportation to and from destinations such as home, work, and school increases as the distance increases. The same is true for the cost of serving homes located away from public services such as police and fire protection, solid waste collection, and public sewer and water services. The average travel time to work for Flathead County commuters is 19 minutes which coincides with the fact that more than half of the housing in the county in 2000 was located in areas designated as rural. Rural refers to areas outside of incorporated places or outside of US Census Designated Places with a population of 2,500 or more<sup>15</sup>. Although the majority of housing is located in the rural areas, the unincorporated rural communities have the largest concentrations of housing, excluding the cities of Kalispell, Whitefish, and Columbia Falls. The communities of Bigfork, Coram, Evergreen, Hungry Horse, Lakeside, Martin City and Somers are identified as Census Designated Places. The housing and population in these communities is shown in Figure 3.9.

**Figure 3.9**  
**Census Designated Places – Housing and Population in 2000**

<sup>15</sup> <http://www.census.gov/population/censusdata/urdef.txt>



Source: US Census 2000